

## Message Text

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PAGE 01 BRUSSE 13150 051820Z  
ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 /126 W

-----023160 060615Z /10

R 050611Z JUL 78  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 7670  
INFO ALL EC CAPITALS  
USMISSION GENEVA

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USEEC

PARIS ALSO FOR OECD

GENEVA ALSO FOR MTN

E.O.11652:N/A  
TAGS: EEC, ETRD  
SUBJECT: EC COMMISSION PUTS OFF DECISION ON CRISIS  
CARTELS

REF: BRUSSELS 12454

1. AT ITS MEETING OF JUNE 28 THE EC COMMISSION FAILED TO  
REACH AGREEMENT ON A NEW LEGAL INSTRUMENT TO AUTHORIZE  
CRISIS CARTELS UNDER CERTAIN CONDITIONS.

2. ACCORDING TO PRESS AND COMMISSION SOURCES, THE MOST  
BASIC RESERVATIONS, WHICH REPORTEDLY CAME FROM COMMIS-  
SIONERS HAERKAMP, BRUNNER AND TUGENDHAT, QUESTIONED THE  
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NEED FOR SUCH AN INSTRUMENT IN LIGHT OF DEROGATION POWERS  
ALREADY INCLUDED IN ART. 85.3 OF THE EEC TREATY AND THE  
LIKELY EFFECTIVENESS OF SUCH CARTELS IN RESOLVING THE  
PROBLEMS FOR WHICH THEY WOULD BE FORMED. ANOTHER PROBLEM  
INVOLVES THE QUESTION OF MANAGEMENT OF THE NEW INSTRUMENT.  
NORMALLY THE COMMISSION AND THE DIRECTORATE GENERAL FOR  
COMPETITION IN PARTICULAR HAS EXCLUSIVE COMPETENCE FOR

ANTITRUST MATTERS. HOWEVER, GIVEN THE SENSITIVITY OF THE ISSUES, COMMISSIONER VOUEL, WITH THE SUPPORT OF DAVIGNON, HAS PROPOSED THAT THE COUNCIL BE BROUGHT IN ON EACH SPECIFIC CASE TO DECIDE THE ECONOMIC DESIRABILITY OF A CARTEL-LED REDUCTION OF CAPACITY.

3. FURTHER DEBATE ON THE MATTER HAS NOW BEEN POSTPONED UNTIL THE COMMISSION MEETING OF JULY 19. COMMISSIONER VOUEL HAS TAKEN THE POSITION THAT APPROVAL OF PLANS FOR A SYNTHETIC FIBER CARTEL CANNOT COME UNDER THE DEROGATION RIGHTS OF ARTICLE 85 AND DEPENDS UPON PRIOR APPROVAL OF THE CRISIS CARTEL PROPOSAL (REFTEL). HINTON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMISSIONS, CARTELS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRUSSE13150  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780276-1073  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Reference:** 78 BRUSSELS 12454  
**Retention:** 0  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2119382  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC COMMISSION PUTS OFF DECISION ON CRISIS CARTELS  
**TAGS:** ETRD, EEC  
**To:** STATE USOECD MULTIPLE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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